

Section 268 Fair Work (Registered Organisations) Act 2009

**DECLARATION – CORRECTING REPORT TO CEPU ELECTRICAL, ENERGY AND  
SERVICES DIVISION – DIVISIONAL COUNCIL OPERATING REPORTS**

I Allen Hicks of Suite 408, Level 4, 30-40 Harcourt Parade, Rosebery, in the state of New South  
Wales, declare:

1. I am the Divisional Secretary of the Communications, Electrical, Electronic, Energy  
Information Postal Plumbing and Allied Services Union of Australia, Electrical, Energy  
and Services Division (CEPU, Electrical Division), an organisation registered under the  
*Fair Work (Registered Organisations) Act 2009* (the Act).
2. Pursuant to s.268 of the Act, for the periods ended 31 December 2010, 31 December  
2011, 31 December 2012, 31 December 2013, 31 December 2014, 31 December 2015  
and 31 December 2016 the full financial reports, including the operating report of the  
CEPU Electrical, Energy and Services Divisional Council, were lodged with the Fair  
Work Commission in the following matters:


R2010/2828	31 December 2010
R2011/2834	31 December 2011
R2012/526	31 December 2012
R2013/425	31 December 2013
R2014/390	31 December 2014
R2015/368	31 December 2015
R2016/341	31 December 2016

3. Independent audits into the membership figures reported in the committee of  
management operating reports for these reporting periods found the following  
variances with the reported membership figures:

<b>YE 31 Dec</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Reported membership	65,000	65,000	70,078	71,707	71,220	66,083	64,418
Audited membership	67,167	69,573	70,992	71,830	70,941	66,477	64,493

4. On 7 February 2018, in response to the audit findings, the CEPU Electrical Division,  
Divisional Council authorised the further amendment of the committee of management  
operating reports for the above reporting periods to reflect the membership figures  
resulting from the audits.
5. This has been published on the CEPU website for the information of members.

Signed:



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Name: Mr Allen Hicks  
Date: 8 March 2018



31 March 2016

Mr Allen Hicks  
National Secretary  
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied  
Services Union of Australia – Electrical, Energy and Services Division  
Suite 408  
Level 4, 30-40 Harcourt Parade  
BOSEBERY NSW 2018

via email: [allen@etuaustralia.org.au](mailto:allen@etuaustralia.org.au)

Dear Mr Hicks

**Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division Financial Report for the year ended 31 December 2015 - FR2015/368**

I acknowledge receipt of the financial report for the year ended 31 December 2015 for the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division (the reporting unit). The financial report was lodged with the Fair Work Commission (FWC) on 24 March 2016.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 March 2016 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

**Statement of financial position**

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Note 7 *Trade and other payables* discloses this liability but does not distinguish based on the categories indicated above.

**Other**

References to legislation and FWC

It has been noted that within the operating report that reference is made to old legislation. In future years, the reporting unit is required to amend the relevant reference of Schedule 1B to the current legislation, that is, *Fair Work (Registered Organisations) Act 2009*.

## Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely



Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



# Electrical Trades Union of Australia

*Proud to be Union*

23 March 2016

Mr David Vale  
Principal Adviser  
Regulatory Compliance Branch – NSW Fair Work Commission  
Level 8, Terrace Towers  
80 William Street  
EAST SYDNEY NSW 2011

Dear David

## **Lodgement of Financial Report of the CEPU – EE & S Division YE 31 December 2015**

In accordance with s268 of the Fair Work (Registered Organisations) Act 2009 (RO Act), please find attached the full financial report of the CEPU Electrical, Energy and Services Division for the year ended 31 December 2015 comprising a copy of the:

- report of the auditor in relation to the inspection and audit of the financial records of the Division;
- general purpose financial report to which the report relates; and
- operating report to which the report relates; and
- the certificate signed by the prescribed designated officer in accordance with s268 of the RO Act.

If you have any queries regarding this report please contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'AL AL', is written over a white background.

Allen Hicks  
DIVISIONAL SECRETARY



# Electrical Trades Union of Australia

*Proud to be Union*

**Communications, Electrical, Electronic, Energy Information Postal Plumbing and Allied Services Union of Australia, (CEPU)**

**Section 268 Fair Work (Registered Organisations) Act 2009 (RO Act)**

**CERTIFICATE BY Divisional Secretary or Prescribed Designated Officer**

I, Allen Hicks, being the Divisional Secretary of the Communications, Electrical, Electronic, Energy Information Postal Plumbing and Allied Services Union of Australia, Electrical, Energy and Services Division (CEPU, Electrical Division) declare:

- that the documents lodged herewith are copies of the full report referred to in s.268 of the RO Act for the Divisional Council of the CEPU, Electrical Division, for the period ended 31 December 2015; and
- the full report was provided to members of the reporting unit on the 17 March 2016 in accordance with s.265 of the RO Act; and
- the full report was presented to the Divisional Executive of the CEPU, Electrical Division on the 17 March 2016 in accordance with s.266 of the RO Act.



Signed: \_\_\_\_\_

Name: Mr Allen Hicks

Date: 23 March 2016

Office Held: Divisional Secretary, CEPU Electrical, Energy & Services Division

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL  
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL,  
ENERGY AND SERVICES DIVISION**

**ABN: 60 429 406 804**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL  
PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL,  
ENERGY AND SERVICES DIVISION**

## **Report on the Financial Report**

We have audited the accompanying financial report of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division, which comprises the statement of financial position as at 31 December 2015, statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Committee of Management's declaration.

### *Committee of Management's Responsibility for the Financial Report*

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal controls as the Committee of Management determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report of the Union for the year ended 31 December 2015 included on the Union's website. The Union's Committee of Management is responsible for the integrity of the Union's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

### *Independence*

In conducting our audit, we followed applicable independence requirements of Australian Professional Ethical Pronouncements.

### *Declarations*

We declare that we are an approved auditor as defined in Regulation 4 of the *Fair Work(Registered Organisations) Regulations 2009*.

We declare that we are members of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

### *Auditor's Opinion*

In our opinion:

- (1) The financial statements of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division are in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
  - (i) giving a true and fair view of the Union's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards.
- (2) The financial report also complies with International Financial Reporting Standards as detailed in Note 1.
- (3) The Union has kept satisfactory accounting records for the financial year including records of:
  - (i) the sources and nature of the Union's income, including sustentation fees and other income from branches; and
  - (ii) the nature of and reasons for the Union's expenditure.
- (4) All the information and explanations that officers or employees of the Union were required to provide have been provided; and
- (5) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (4) above.
- (6) The Union's use of the going concern basis of accounting used in the preparation of the Union's financial statements is appropriate.

*M. L. T*

**MGI Audit (Q) Pty Ltd**



**G I Kent**

Director

Chartered Accountant and holder of a Certificate of Public Practice

Rosebery

17 March 2016

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION**

**COMMITTEE OF MANAGEMENT OPERATING REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Operating Report**

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* the Committee of Management (“the Committee”) presents its Operating Report on the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division, for the year ended 31 December 2015.

**Principal Activities**

The principal activity of the Union was to act on behalf of members in pursuit of the Objects of the Union (detailed at page 42 of the financial report).

**Operating Results**

The deficit for the financial year amounted to \$292,103 (2014 surplus: \$352,842). The surplus reported in the 2014 financial statements was listed as \$439,924. As detailed at Note 1(y), this balance was adjusted by \$87,082, due to an adjustment to the Union’s leave entitlements.

**Review of Operations**

A review of the operations of the Union during the financial year found that there was no significant change in the nature or the results of the operations during the year.

**After Balance Date Events**

No matters of circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

**Future Developments**

Likely developments in the operations of the Union are the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

**Environmental Issues**

The Union’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Members Right to Resign**

The right of members to resign from the Union is set out in the Rules of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division and on the reverse side of the application to join form.

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION**

**COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Officers or Members who are Superannuation Fund Trustees / Director of a Company that is a  
Superannuation Fund Trustee**

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of Schedule 1B, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

John Adley	– Member of the Divisional Executive – Director of Energy Industry Superannuation Scheme
Neville Betts	– Member of the Divisional Executive – Director of Energy Industries Superannuation Scheme
Steve Butler	– Member of the Divisional Executive – Director of Energy Industries Superannuation Scheme
Allen Hicks	– Member of the Divisional Executive – Alternate director of CBUS Superannuation Fund
Peter Simpson	– Member of the Divisional Executive – Director of Energy Super
Neisha Trail	– Member and employee of the QLD Branch – Queensland advisory board member of Australian Super

**Number of Employees**

The number of persons who were, at the end of the period to which the report relates, employees of the consolidated group, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 13.3 (2014: 11.3).

**Wages Recovery**

There were no wages recoveries for the year.

**Number of Members**

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for s.230 of the Act and who are taken to be members of the Union under s.244 of the Act is: 65,468 (2014: 70,775).

**Members of the Committee of Management**

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
John Adley	SA Branch Secretary	19 Nov 2015 to 31 Dec 2015
Neville Betts	NSW Branch Assistant Secretary	19 Nov 2015 to 31 Dec 2015
Steve Butler	Divisional Vice President (NSW Branch Secretary)	1 Jan 2015 to 31 Dec 2015
Robert Donnelly	SA Branch Secretary	1 Jan 2015 to 18 Nov 2015
Trevor Gauld	TAS Branch Secretary	1 Jan 2015 to 31 Dec 2015
Troy Gray	VIC Branch Secretary	1 Jan 2015 to 31 Dec 2015
Troy Gray	Divisional President (VIC Branch Secretary)	19 Nov 2015 to 31 Dec 2015
Wes Hayes	VIC Branch Assistant Branch Secretary	1 Jan 2015 to 31 Dec 2015
Allen Hicks	Divisional Secretary	1 Jan 2015 to 31 Dec 2015
James MacFadyen	NSW Branch President	1 Jan 2015 to 18 Nov 2015
Chris McGaw	QLD Branch President	1 Jan 2015 to 31 Dec 2015
Les McLaughlan	Divisional President (WA Branch Secretary)	1 Jan 2015 to 18 Nov 2015
Les McLaughlan	WA Branch Secretary	1 Jan 2015 to 31 Dec 2015
Peter Simpson	Divisional Vice President (QLD Branch Secretary)	1 Jan 2015 to 31 Dec 2015

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION**

**COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Other Information**

There is no other information that the Union considers relevant.

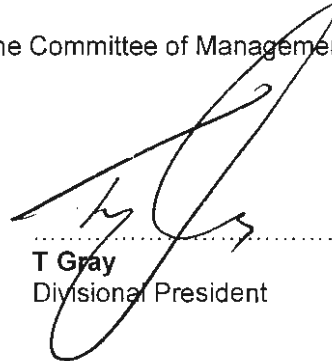
This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee Members by:



.....  
**A Hicks**  
Divisional Secretary

17 March 2016

Rosebery



.....  
**T Gray**  
Divisional President

17 March 2016

Rosebery

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**DIVISIONAL COUNCIL COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

On 17 March 2016, the Divisional Executive of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2015:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned;
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act;
  - (iv) the financial records of the reporting unit have been kept, as far as practicable in a manner consistent with each of the other reporting units of the organisation;
  - (v) where information has been sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
  - (vi) there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the Act.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Divisional Executive.

**For the Divisional Executive:** Allen Hicks

**Title of Office held:** Divisional Secretary

**Signature:**



**Date:** 17 March 2016

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE OF MANAGEMENT OF COMMUNICATION ELECTRICAL ELECTRONIC  
ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA  
– ELECTRICAL, ENERGY AND SERVICES DIVISION**

As lead auditor for the audit of the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division for the year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

*M. G I*

**MGI Audit (Q) Pty Ltd**



**G I Kent**  
Director

Rosebery

17 March 2016

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>Revenue</b>	2	4,020,147	4,352,653
Employee benefits expense	3(l)	(2,031,899)	(1,789,624)
Depreciation and amortisation expenses	3(b)	(82,966)	(32,517)
Finance costs	3(a)	(1,103)	(2,270)
Affiliation fees	3(k)	(377,048)	(476,439)
Conference and meeting expenses	3(d)	(164,809)	(80,251)
Legal expenses	3(h)	(210,629)	(155,914)
Grants and Donations	3(f)	(19,198)	(13,155)
Campaign Expenses	3(c)	(343,386)	(41,328)
Other operating expenses	3(n)	(1,081,212)	(1,408,313)
<b>(Deficit)/ Surplus before income tax</b>		<u>(292,103)</u>	<u>352,842</u>
Income tax expense	1(a)	-	-
<b>(Deficit)/ Surplus for the year</b>		<u>(292,103)</u>	<u>352,842</u>
<b>Other Comprehensive Income</b>			
Other comprehensive income (net of income tax)		-	-
Total comprehensive deficit/income for the year		<u>(292,103)</u>	<u>352,842</u>
(Deficit)/ Surplus attributable to:			
Members of the Union		<u>(292,103)</u>	<u>352,842</u>
Total comprehensive income attributable to:			
Members of the union		<u>(292,103)</u>	<u>352,842</u>

The accompanying notes form part of these financial statements



COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015

	Note	31 December 2015 \$	31 December 2014 \$	1 January 2014 \$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	4	2,829,543	3,229,273	3,219,853
Trade and other receivables	5	421,369	220,890	783,943
Other Current Assets		-	-	38,037
<b>TOTAL CURRENT ASSETS</b>		<b>3,250,912</b>	<b>3,450,163</b>	<b>4,041,833</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	6	1,258,319	1,317,586	53,122
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,258,319</b>	<b>1,317,586</b>	<b>53,122</b>
<b>TOTAL ASSETS</b>		<b>4,509,231</b>	<b>4,767,749</b>	<b>4,094,955</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	7	357,291	465,443	310,018
Provisions	8	454,707	351,491	119,735
<b>TOTAL CURRENT LIABILITIES</b>		<b>811,998</b>	<b>816,934</b>	<b>429,753</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions	8	208,376	169,855	237,084
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>208,376</b>	<b>169,855</b>	<b>237,084</b>
<b>TOTAL LIABILITIES</b>		<b>1,020,374</b>	<b>986,789</b>	<b>666,837</b>
<b>NET ASSETS</b>		<b>3,488,857</b>	<b>3,780,960</b>	<b>3,428,118</b>
<b>MEMBERS EQUITY</b>				
Reserves	19	-	53,825	53,825
Retained Earnings		3,488,857	3,727,135	3,374,293
		<b>3,488,857</b>	<b>3,780,960</b>	<b>3,428,118</b>

The accompanying notes form part of these financial statements

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2014</b>	3,374,293	53,825	3,428,118
Surplus attributable to members of the Union	352,842	-	352,842
Other Comprehensive Income	-	-	-
<b>Balance at 31 December 2014</b>	<b>3,727,135</b>	<b>53,825</b>	<b>3,780,960</b>
<b>Balance at 1 January 2015</b>	3,727,135	53,825	3,780,960
Deficit attributable to members of the Union	(292,103)	-	(292,103)
Other Comprehensive Income	-	-	-
Transfer from reserves	53,825	(53,825)	-
<b>Balance at 31 December 2015</b>	<b>3,488,857</b>	<b>-</b>	<b>3,488,857</b>

The accompanying notes form part of these financial statements

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Branches and Other Customers		4,157,553	5,279,613
Interest received		58,300	64,871
Payments to employees & suppliers		(4,590,771)	(4,035,813)
Finance costs		(1,103)	(2,270)
Net cash provided by operating activities	9(b)	<u>(376,021)</u>	<u>1,306,401</u>
<b>Cash Flows from Investing Activities</b>			
Payment for property, plant & equipment		(38,254)	(1,296,981)
Proceeds from sale of property, plant & equipment		14,545	-
Net cash used in investing activities		<u>(23,709)</u>	<u>(1,296,981)</u>
<b>Cash Flows from Financing Activities</b>			
		-	-
Net increase in cash held		(399,730)	9,420
Cash at beginning of financial year		<u>3,229,273</u>	<u>3,219,853</u>
Cash at end of financial year	9(a)	<u><u>2,829,543</u></u>	<u><u>3,229,273</u></u>

The accompanying notes form part of these financial statements

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>Cash assets in respect of recovery money at beginning of year</b>			
<b>Receipts</b>			
Amount recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
<b>Total Receipts</b>		<u>-</u>	<u>-</u>
<b>Payments</b>			
Deductions of amounts due in respect of membership for:			
- 12 months or less		-	-
- greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of			
- the Council		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
<b>Total Payments</b>		<u>-</u>	<u>-</u>
<b>Cash assets in respect of recovery money at end of year</b>		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements cover the Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia – Electrical, Energy and Services Division ("Union") as an individual entity. The Union is a trade union which is incorporated and domiciled in Australia.

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*. The Union is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 17 March 2016 by the Divisional Executive of the Union.

**(a) Income Tax**

The Union is exempt from income tax by virtue of s50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

**(b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

**Property**

Freehold land and buildings are measured on the cost basis and therefore carried at cost less accumulated depreciation and any impairment losses in the event that the carrying amount of the land and buildings are greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated reversible amount and impairment losses are recognised either in profit or loss.

**Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, Plant and Equipment (Continued)

**Plant and equipment (Continued)**

The carrying amount of plant and equipment is reviewed annually by the Divisional Council to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Union and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	5%
Plant and equipment	5% - 40%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown with financial liabilities in current liabilities on the statement of financial position.

(d) Financial Instruments

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

**Initial recognition and measurement (Continued)**

Financial instruments are initially measured at fair value, plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at 'fair value through profit or loss', in which case, transactions costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

1. The amount at which the financial asset or financial liability is measured at initial recognition;
2. less principal repayments;
3. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method and
4. less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate adjustments to the carrying value with a consequential recognition of an income or expense in profit or loss.

*(i) Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets).

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Financial Instruments (Continued)**

**Classification and subsequent measurement (Continued)**

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date. (All other investments are classified as current assets).

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment category would be tainted and reclassified as available-for-sale.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by the Divisional Council. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions.

**Impairment**

At the end of each reporting period, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.



**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Impairment of Assets**

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(f) Employee Benefits**

Provision is made for the Union's liability for employee benefits (Annual Leave, RDO, Retirement Allowance and Long Service Leave) arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Under the Unions rules, those employees who have undertaken 3 or more years of continuous service are entitled to have their Long Service Leave balance paid upon termination (on a pro-rata basis). The Union does not have an unconditional right to deferred settlement (for those employees with greater than 3 or more consecutive years of service), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**(g) Provisions**

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(h) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Union are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed.

Sustentation revenue from State Branches is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

Publication revenue from State Branches is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax ("GST").

**(j) Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

**(k) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

**(l) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

**(m) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(n) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(o) Critical accounting estimates and judgement**

The Union's Committee Members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

*Key Estimates – Impairment*

The Union assess impairment at each reporting date by evaluating conditions specific to the Union that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of the current year.

*Key Judgements – Provision for impairment of receivables*

Included in accounts receivable at 31 December 2015 are amounts receivable from sales made to various debtors during the current financial year amounting to nil (2014: \$97,450).

**(p) New, Revised or Amending Accounting Standards and Interpretations**

The Union has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**(q) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Committee of Management has decided not to early adopt any of the new and amended pronouncements. The Committee of Management's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments: AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised. The Standard also requires to recognise full lifetime expected losses on a more timely basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) **New Accounting Standards for Application in Future Periods (Continued)**

Amendments to AASB 9 (December 2009 & 2010 editions) (AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.

AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are described below.

- (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  - The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
  - The remaining change is presented in profit or loss

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E (applicable for annual reporting periods commencing on or after 1 January 2018).

- AASB 2014-1 Part A – Annual Improvements 2011 – 2013 Cycle: Annual improvements to IFRS 2011-2013 cycle address the following items:
  - AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.
  - AASB 140 – Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3 (applicable for annual reporting periods commencing on or after 1 January 2015).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) New Accounting Standards for Application in Future Periods (Continued)

- AASB 2014-4: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138): AASB116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances (applicable for annual reporting periods commencing on or after 1 January 2016).

- AASB 2014-2: Amendments to AASB 1053 – Transitions to and between Tiers, and related Tier 2 Disclosure Requirements (AASB 1053): The standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to:
  - Clarify that AASB 1053 relates only to general purpose financial statements.
  - Make AASB 1053 consistent with the availability of the AASB 108 Accounting Policies, Changes to Accounting Estimates and Errors option in AASB 1 First-Time Adoption of Australian Accounting Standards.
  - Clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 1008 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather than applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its more recent previous annual special purpose financial statements.
  - Specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements (applicable for annual reporting periods commencing on or after 1 January 2015).
- AASB 2015-1 – Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle. The Subjects of the principal amendments to the Standards are set out below:
  - AASB 119 Employee Benefits – Discount rate: regional market issue – clarifies that the high quality corporate bonds used to estimate the discount rate for post-employments benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.
- AASB 2015-2 – Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.
  - The Standard makes amendment to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(q) New Accounting Standards for Application in Future Periods (Continued)**

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Union is still determining whether any adoption of these standards will have any impact on the future reporting periods.

**(r) Gains**

*Sale of assets*

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

**(s) Capitation fees and levies**

Capitation fees and levies are to be recognised on an accrual basis and records as a revenue and/or expense in the year to which it relates.

**(t) Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**(u) Going Concern**

The Union has not entered into an agreement with another reporting unit for financial support to continue on a going concern basis.

The Union has not entered into any agreements to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(v) Acquisition of Assets and Liabilities**

The Union did not acquire any assets or liabilities during the year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3 of the RO Act in with the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager under subsection 245(1).

The Union did not acquire any assets or liabilities during the year as a part of a business combination.

**(w) Fair Value Measurement**

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the [reporting unit]. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Fair Value Measurement (Continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(x) Recovery of Wages

The Union has not undertaken any recovery of wages activities during the year or the comparative year.

(y) Prior Period Adjustment

While preparing the financial statements of the Union for the year ended 31 December 2014, long service leave of \$87,082 was omitted in the final calculation. As a result, long service leave provision was understated by \$87,082 at 31 December 2014. This has resulted in a retrospective reclassification of balances in the Statement of Comprehensive Income and Statement of Financial Position for the year ended 31 December 2014.

The impact of the above omission on the financial statements of the Union 31 December 2014 is as follows:

	Previously Stated \$	Adjustment	Restated Balance \$
<b>Statement of Comprehensive Income</b>			
Employee Benefits Expense	1,702,542	87,082	1,789,624
Surplus Before Income Tax	439,924	(87,082)	352,842
Income Tax Expense	-	-	-
Surplus After Income Tax	439,924	(87,082)	352,842
<b>Statement of Financial Position</b>			
Provisions (Total)	434,264	87,082	521,346
Total Liabilities	899,707	87,082	986,789
Net Assets	3,868,042	(87,082)	3,780,960
Retained Earnings	3,814,217	(87,082)	3,727,135
Total Equity	3,868,042	(87,082)	3,780,960

Statement of Cash Flows

The above omission did not affect the Statement of Cash Flows for the year ended 31 December 2014.



COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
<b>NOTE 2 – REVENUE</b>		
(a) Sustentation Fees		
- CEPU – QLD/ NT Electrical Branch	1,039,345	985,786
- CEPU – WA Electrical Branch	420,550	481,200
- CEPU – NSW Electrical Branch	922,391	951,266
- CEPU – SA Electrical Branch	247,763	215,095
- CEPU – VIC Electrical Branch	758,181	1,073,992
- CEPU – TAS Electrical Branch	100,521	111,470
	<u>3,488,751</u>	<u>3,818,809</u>
(b) Interest income	<u>58,300</u>	<u>64,871</u>
(c) Other Income		
Publication Income		
- CEPU – QLD/ NT Electrical Branch	88,850	109,844
- CEPU – WA Electrical Branch	42,156	53,666
- CEPU – NSW Electrical Branch	98,188	105,392
- CEPU – SA Electrical Branch	24,140	29,947
- CEPU - VIC Electrical Branch	86,860	113,950
- CEPU – TAS Electrical Branch	10,982	8,998
	<u>351,176</u>	<u>421,797</u>
Secretarial Fees		
- CEPU – National Office	10,273	19,612
National Apprenticeship Officer Wage Contribution		
- CEPU – QLD/ NT Electrical Branch	8,746	-
- CEPU – WA Electrical Branch	4,543	-
- CEPU – NSW Electrical Branch	10,378	-
- CEPU – SA Electrical Branch	2,229	-
- CEPU - VIC Electrical Branch	11,165	-
- CEPU – TAS Electrical Branch	946	-
	<u>38,007</u>	<u>-</u>
Levies	-	-
Sponsorship Income	18,545	19,000
Sundry Income	55,095	8,564
Total other income	<u>473,096</u>	<u>468,973</u>
(d) Grants or Donations	<u>-</u>	<u>-</u>
Total Revenue	<u><u>4,020,147</u></u>	<u><u>4,352,653</u></u>

The Union did not receive any other financial support from another reporting unit to ensure that the provision of the principal activities are possible.

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
<b>NOTE 3 – EXPENSES</b>		
(a) Finance Cost – External	1,103	2,270
(b) Depreciation and amortisation		
- Motor vehicles	15,615	11,914
- Plant and equipment	3,008	6,677
- Buildings	64,343	13,926
	<u>82,966</u>	<u>32,517</u>
(c) Campaign expenses	343,386	41,328
Campaign expenses comprise of:		
- Apprentice Campaigns	-	16,121
- Political Campaigns	303,865	14,000
- Other Campaigns	39,521	11,208
	<u>343,386</u>	<u>41,328</u>
(d) Conference and meeting expenses		
- General	120,615	50,526
- Divisional	44,194	29,617
- National	-	108
	<u>164,809</u>	<u>80,251</u>
(e) Compulsory Levies	-	-
(f) Grants and Donations		
- Grants	-	-
- Donations	19,198	13,155
	<u>19,198</u>	<u>13,155</u>
Split of Grants and Donations:		
Grants:		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
Donations:		
- Total paid that were \$1,000 or less	1,698	655
- Total paid that exceeded \$1,000	17,500	12,500
	<u>19,198</u>	<u>13,155</u>
(g) Capitation fees	-	-
(h) Legal Costs		
- Litigation	135,707	58,097
- Other Legal Matters	74,922	97,817
	<u>210,629</u>	<u>155,914</u>
(i) Fees/allowances – meetings and conferences	-	-
(j) Penalties – via RO Act or RO Regulations	-	-

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
<b>NOTE 3 – EXPENSES (CONTINUED)</b>			
(k) Affiliation fees			
- ACTU		204,000	243,625
- ACTU IR Levy		110,000	220,000
- CEPU National Office		29,341	-
- Public Services International		6,584	12,814
- Industrial Global Union		26,432	-
- Other		691	-
		<u>377,048</u>	<u>476,439</u>
(l) Employee benefits expense			
Holders of Office:			
- Salaries and wages		327,873	318,265
- Leave and other entitlements		59,498	69,212
- Superannuation		55,214	53,262
- Separation and redundancies		-	-
- Other employee expenses		-	-
		<u>442,585</u>	<u>440,739</u>
Employees other than office holders:			
- Salaries and wages		1,076,332	909,562
- Leave and other entitlements		243,013	193,872
- Superannuation		185,592	149,827
- Separation and redundancies		-	-
- Other employee expenses		-	-
		<u>1,504,936</u>	<u>1,253,261</u>
Add: Payroll tax expense		<u>84,378</u>	<u>95,624</u>
Total Employee benefits expense		<u>2,031,899</u>	<u>1,789,624</u>
(m) Consideration to employers for payroll deductions		-	-
(n) Other Operating Expenses			
Advertising and Promotion		266,777	616,488
Computer Expenses		38,395	47,910
Doubtful Debts Expenses	5(a)(iii)	-	87,338
Audit and Accounting Expenses		26,350	45,099
Printing and Stationery		19,376	14,969
Rent and Occupancy Costs		113,371	253,759
Staff Training and Welfare		10,892	14,958
Subscriptions		24,544	49,303
Telephone and Fax		37,364	26,739
Travel Expenses		267,658	156,199
Motor Vehicle Expenses		11,995	11,602
Financial Support – CEPU – TAS Electrical Branch		100,521	-
Other Expenses		163,969	83,949
		<u>1,081,212</u>	<u>1,408,313</u>

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
<b>NOTE 4 – CASH AND CASH EQUIVALENTS</b>			
Cash on hand		418	22
Cash at bank		2,829,125	3,229,251
		<u>2,829,543</u>	<u>3,229,273</u>

**NOTE 5 – TRADE AND OTHER RECEIVABLES**

Receivables from other reporting units			
- CEPU National Council		-	11,300
- CEPU NSW Electrical Division		421,369	75,585
- CEPU NSW Postal & Telecommunications Branch		-	21,864
- CEPU SA Electrical Division		-	126,662
- CEPU TAS Electrical Division		-	51,850
- CEPU VIC Electrical Division		-	28,079
- CEPU Plumbing Division		-	3,000
		<u>421,369</u>	<u>318,340</u>
Less provision for impairment	5(a)(ii)	-	(97,450)
<b>Total Receivable from other reporting units</b>		<u>421,369</u>	<u>220,890</u>
Other receivables		-	-
<b>Total trade and other receivables</b>		<u>421,369</u>	<u>220,890</u>

(a) Provision for Impairment of Receivables

(i) Movement in the provision for impairment of receivables is as follows:

Opening balance – 1 January	97,450	78,919
Charge for the year	-	87,338
Amounts collected	(61,044)	-
Amounts written off	36,406	(68,807)
Closing balance – 31 December	-	97,450

(ii) Provision for impairment consists of the following:

CEPU – NSW Electrical Division	-	75,585
CEPU – NSW Postal & Telecommunications Branch	-	21,864
	-	<u>97,450</u>

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

2015  
\$

2014  
\$

**NOTE 5 – TRADE AND OTHER RECEIVABLES (CONTINUED)**

(iii) Doubtful debts expense relating to other reporting units comprises of:

CEPU – NSW Electrical Division	-	68,713
CEPU – NSW Postal & Telecommunications Branch	-	18,625
	-	87,338

*Credit Risk – Trade and Other Receivables*

The Union has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Union.

On a geographical basis, the Union's trade and other receivables are all based in Australia.

The following table details the Union's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			< 30	31-60	60+	
<b>2015</b>	\$	\$				\$
Receivables from other reporting units	421,369	-	-	-	421,369	-
Other trade receivables		-	-	-	-	-
Total	421,369		-	-	421,369	-
 <b>2014</b>						
Receivables from other reporting units	318,340	97,450	-	192,812	28,078	-
Other trade receivables	-	-	-	-	-	-
Total	318,340	97,450	-	192,812	28,078	-

*Collateral held as security*

The Union does not hold collateral with respect to its receivables at 31 December 2015 (2014: Nil)

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
<b>NOTE 6 – PROPERTY, PLANT AND EQUIPMENT</b>		
Furniture, fittings and office equipment:		
At cost	32,976	32,976
Accumulated depreciation	(27,073)	(24,065)
Total furniture, fittings and office equipment	<u>5,903</u>	<u>8,911</u>
Buildings:		
At cost	1,286,857	1,286,857
Accumulated depreciation	(78,269)	(13,926)
Total buildings	<u>1,208,588</u>	<u>1,272,931</u>
Motor vehicles:		
At cost	73,729	70,884
Accumulated depreciation	(29,901)	(35,140)
Total motor vehicles	<u>43,828</u>	<u>35,744</u>
Improvements:		
At cost	77,727	77,727
Accumulated depreciation	(77,727)	(77,727)
Total improvements	<u>-</u>	<u>-</u>
Other property, plant and equipment:		
At cost	117,311	117,311
Accumulated depreciation	(117,311)	(117,311)
Total other property, plant and equipment	<u>-</u>	<u>-</u>
<b>Total property, plant &amp; equipment</b>	<b><u>1,258,319</u></b>	<b><u>1,317,586</u></b>

**(a) Movement in Carrying Amounts**

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year

	Buildings	Motor Vehicles	Furniture, Fittings and Office Equipment	Other Property, Plant and Equipment	Total
Balance at 1 January 2015	1,272,931	35,744	8,911	-	1,317,586
Additions	-	38,254	-	-	38,254
Disposals	-	(14,555)	-	-	(14,555)
Depreciation expense	(64,343)	(15,615)	(3,008)	-	(82,966)
<b>Carrying amount at 31 December 2015</b>	<b><u>1,208,588</u></b>	<b><u>43,828</u></b>	<b><u>5,903</u></b>	<b><u>-</u></b>	<b><u>1,258,319</u></b>

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
<b>NOTE 7 – TRADE AND OTHER PAYABLES</b>			
Trade payables			
- Trade payables and accruals		<u>52,458</u>	<u>313,368</u>
Other payables			
- Sundry creditors		26,378	4,429
- Superannuation payable		25,529	25,016
- PAYGW payable		40,768	40,554
- Payroll tax payable		1,250	1,250
- FBT payable		14,910	6,378
- GST payable (net)		105,808	73,808
- Consideration to employers for payroll deductions		-	-
- Legal costs		32,730	-
Payables to other reporting units			
- CEPU – SA Electrical Division		-	640
- CEPU – WA Electrical Division		1,360	-
- CEPU – National Office		<u>56,100</u>	<u>-</u>
		<u>57,460</u>	<u>640</u>
<b>Total Trade and other Payables</b>		<u><b>357,291</b></u>	<u><b>465,443</b></u>

**NOTE 8 – PROVISIONS**

	Annual Leave \$	Long Service Leave \$	RDO \$	Retirement Allowance \$	Total \$
Opening balance at 1 January 2015	185,336	208,006	29,553	98,451	521,346
Additional provisions raised during the year	145,938	46,853	35,756	3,447	314,443
Amounts used	(69,178)	-	(21,079)	-	(90,257)
Balance at 31 December 2015	<u>262,096</u>	<u>254,859</u>	<u>44,230</u>	<u>101,898</u>	<u>663,083</u>

**Analysis of total provisions**

Current

Provision for annual leave	262,096	185,336
Provision for long service leave	148,381	136,602
RDO Provision	44,230	29,553
	<u>454,707</u>	<u>351,491</u>

Non-current

Provision for long service leave	106,478	71,404
Retirement Allowance	101,898	98,451
	<u>208,376</u>	<u>169,855</u>

Non-current provisions represent leave entitlements owing to employees for either their retirement allowance or those who have not completed 3 years of continuous service with the Union.

**Holders of Office**

- Annual leave	88,527	61,181
- Long service leave	33,969	31,385
- Separations and redundancies	-	-
- Other	12,607	11,595
	<u>135,103</u>	<u>104,161</u>

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
<b>NOTE 8 – PROVISIONS (CONTINUED)</b>			
<b>Employees other than office holders</b>			
- Annual leave		173,568	124,155
- Long service leave		220,889	176,621
- Separations and redundancies		101,898	98,451
- Other		31,625	17,958
		<u>527,980</u>	<u>417,185</u>
<b>Total Provisions</b>		<u>663,083</u>	<u>521,346</u>

**NOTE 9 – CASH FLOW INFORMATION**

**(a) Reconciliation of Cash and Cash Equivalents**

For the purposes of the Statement of cash flows, cash and cash equivalents includes cash on hand, at banks and deposits or any other cash held that can be readily convertible to known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash on hand	417	22
Cash at bank	2,829,125	3,229,251
	<u>2,829,542</u>	<u>3,229,273</u>

**(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus after Income Tax**

(Deficit)/ Surplus after income tax	(292,103)	352,842
- Loss on disposal of property, plant and equipment	(10)	-

Non cash flows in surplus after income tax

- Depreciation & amortisation	82,966	32,517
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Changes in assets and liabilities

(Increase)/ decrease in trade receivables	(200,479)	563,053
Increase/ (decrease) in trade payables and accruals	(140,152)	81,617
Increase/ (decrease) in provisions	141,737	164,527
Increase/ (decrease) in GST	32,000	111,845
Net cash provided by operating activities	<u>(376,021)</u>	<u>1,306,401</u>

**(c) Credit standby arrangements**

CBA MasterCard Facility		
Used facility	-	-
Unused facility	50,000	50,000
Total facility	<u>50,000</u>	<u>50,000</u>

**(d) Cash flows to/from other reporting units**

Included in the statement of cash flows under operating activities are the following receipts from and payments to other reporting units



COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
<b>NOTE 9 – CASH FLOW INFORMATION (CONTINUED)</b>			
<b>Receipts from other reporting units</b>			
- CEPU – QLD/NT Electrical Branch		1,318,953	813,965
- CEPU – WA Electrical Branch		549,424	413,959
- CEPU – NSW Electrical Branch		706,706	1,165,657
- CEPU – SA Electrical Branch		440,955	127,044
- CEPU – VIC Electrical Branch		1,034,155	1,876,719
- CEPU – TAS Electrical Branch		73,612	57,495
- CEPU – National Council		22,600	35,673
- CEPU – NSW P & T Branch		99,136	69,578
- CEPU – NSW T & S Branch		13,378	12,336
- AMWU – National Office		9,771	-
- CFMEU – National Office		9,771	-
- ETU – NSW Branch		65,671	-
- MUA – National Office		9,971	-
- CEPU VIC Plumbing Division		6,000	-
- CEPU – Plumbing Division		9,771	1,850
- <b>Total receipts from other reporting units</b>		<b>4,369,874</b>	<b>4,574,276</b>
<b>Payments to other reporting units</b>			
- CEPU – TAS Electrical Branch		7,364	2,923
- CEPU – VIC (Plumbing) Branch		13,045	7,280
- CEPU – National Council		364,915	242,000
- CEPU – Plumbing Division		-	2,730
- CEPU – QLD/NT Electrical Branch		-	2,752
- CEPU – SA Electrical Branch		4,474	2,931
- CEPU – VIC Electrical Branch		27,000	22,950
- CEPU – WA Electrical Branch		7,743	45,000
- CEPU - VIC T&S Branch		248	-
- AMWU – National Office		307	-
- CFMEU – National Office		489,873	189
- AWU – National Office		1,283	-
- <b>Total Payments to other reporting units</b>		<b>916,252</b>	<b>328,755</b>
<b>Net cash paid to other reporting units</b>		<b>3,453,622</b>	<b>4,245,521</b>

The above disclosure includes any applicable GST.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

<b>(a) Operating lease commitments</b>			
Payable – minimum lease payments		7,140	7,140
- not later than 12 months		-	8,925
- between 12 months and 5 years		27,370	-
- greater than 5 years		-	-
Minimum lease payments		<b>34,510</b>	<b>16,065</b>

At 31 December 2015, the Union held a lease relating to photocopiers, which expires on October 2020. (2014: the Union held a photocopier lease).

**(b) Contingent liabilities and commitments**

The Union does not have any contingent liabilities and commitments at 31 December 2015 (2014: Nil).

**(c) Capital expenditure commitments**

There are no capital expenditure commitments at 31 December 2015 (2014: Nil).

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>NOTE 11 – AUDITORS REMUNERATION</b>			
Amounts received or due and receivable by the auditor of the Union for:			
(a) audit of the financial report of the Union and preparation of financial statements		24,000	23,500
(b) other services		2,350	-
		<u>26,350</u>	<u>23,500</u>
<b>NOTE 12 – RELATED PARTY TRANSACTIONS</b>			
Transactions with other branches of Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia Divisions/ Branches are on terms and conditions no more favourable than those available to other parties unless otherwise stated.			
(a) CEPU – NSW P & T Branch Reimbursement of Payroll Tax		99,136	69,578
(b) CEPU – NSW T & S Branch Reimbursement of Payroll Tax		13,378	12,336
(c) CEPU – QLD/ NT Electrical Branch Sustentation fees		1,039,345	985,786
Reimbursement of National Journal costs		88,850	109,844
Contribution to WA Senate campaign		-	9,000
Contribution for political campaigns		34,856	-
Reimbursement of wage costs		8,746	12,617
Other reimbursements		23,612	6,818
Payments for various expense reimbursements		-	(2,502)
(d) CEPU – WA Electrical Branch Sustentation fees		420,550	481,200
Reimbursement of National Journal Costs		42,156	53,666
Reimbursement of wage costs		4,543	6,169
Contribution for political campaigns		17,428	-
Other reimbursements		14,800	6,280
Payments for WA Senate campaign		-	(45,000)
Payment of donations		(5,000)	-
Payments for various expense reimbursements		(2,039)	-
(e) CEPU – NSW Electrical Branch Sustentation fees		922,391	951,266
Reimbursement of National Journal costs		98,188	105,392
Contribution to WA Senate campaign		-	9,000
Reimbursement of wage costs		-	13,758
Other reimbursements		4,944	13,398
(f) CEPU – SA Electrical Branch Sustentation fees		247,763	215,095
Reimbursement of National Journal costs		24,140	29,947
Contribution for political campaigns		8,044	-
Reimbursement of wage costs		2,229	3,025
Other reimbursements		5,363	2,802
Payments for various expense reimbursements		(4,067)	(3,320)

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>NOTE 12 – RELATED PARTY TRANSACTIONS (CONTINUED)</b>			
(g) CEPU – VIC Electrical Branch			
Sustentation fees		758,181	1,073,992
Reimbursement of National Journal costs		86,860	113,950
Contribution to WA Senate campaign		-	9,000
Contribution for political campaigns		42,786	-
Reimbursement of wage costs		11,165	14,682
Other reimbursements		8,018	11,477
Payments for OH&S services		(20,000)	(20,000)
Payment of donations		(5,000)	-
Payments for various expense reimbursements		-	(868)
(h) CEPU – TAS Electrical Branch			
Sustentation fees		100,521	111,470
Reimbursement of National Journal costs		10,982	8,998
Reimbursement of wage costs		946	1,420
Other reimbursements		9,537	1,045
Payments for various expense reimbursements		(7,243)	(2,723)
(i) CEPU – Plumbing Division			
Reimbursement of political campaigns		8,883	-
(j) CEPU VIC – Plumbing Division			
Other reimbursements		5,456	-
Payment of office rent		(12,107)	(6,618)
(k) ETU – NSW Branch			
Other reimbursements		9,082	-
Contribution for political campaigns		40,241	-
Reimbursement of wage costs		10,378	-
(l) CEPU – National Council			
Secretarial fees		10,273	19,612
Payment of ACTU IR Levy		(110,000)	(220,000)
Payment of ACTU Affiliation Fees		(204,000)	(243,625)
Payment of special levy		(29,341)	-
Payment of legal costs		(38,990)	-

**NOTE 13 – KEY MANAGEMENT PERSONNEL**

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. During the year, the key management personnel of the Union were remunerated as follows:

Short-term employee benefits	387,371	387,477
Post-employment benefits	55,214	53,262
Termination benefits	-	-
Other long-term benefits	-	-
	<u>442,585</u>	<u>440,739</u>

No payments have been made to key management personnel or close family members other than the remuneration paid as being employees of the Union.

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 13 – KEY MANAGEMENT PERSONNEL (CONTINUED)**

**(a) Key Management Personnel of the Union**

The following persons were key management personnel of the Union during the year

<b>Name</b>	<b>Position</b>
John Adley	Member of Divisional Executive
Neville Betts	Member of Divisional Executive
Steve Butler	Member of Divisional Executive
Robert Donnelly	Member of Divisional Executive
Trevor Gauld	Member of Divisional Executive
Troy Gray	Member of Divisional Executive
Wes Hayes	Member of Divisional Executive
Allen Hicks	Divisional Secretary and Member of Divisional Executive
James MacFadyen	Member of Divisional Executive
Chris McGaw	Member of Divisional Executive
Les McLaughlan	Member of Divisional Executive
David Mier	Assistant Divisional Secretary
Peter Simpson	Member of Divisional Executive

**NOTE 14 – EVENTS AFTER BALANCE DATE**

There are no events subsequent to the balance sheet date that have impacted on the values disclosed in the financial statements.

**NOTE 15 – FINANCIAL RISK MANAGEMENT**

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows

	<b>Note</b>	<b>2015</b> \$	<b>2014</b> \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	2,829,543	3,229,273
Receivables	5	421,369	220,890
<b>Total financial assets</b>		<u><b>3,250,912</b></u>	<u><b>3,450,163</b></u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	7	357,291	465,443
<b>Total financial liabilities</b>		<u><b>357,291</b></u>	<u><b>465,443</b></u>

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 15 – FINANCIAL RISK MANAGEMENT (CONTINUED)**

**Financial Risk Management Policies**

The Committee of Management monitors the Union's financial risk management policies and exposures and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. The Committee of Management meets monthly to review the financial exposure of the Union.

The main risk the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk, consisting of interest rate risk.

**(a) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Union.

The Union does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees and dues.

*Credit Risk Exposures*

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 5.

The Union has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policies. Such policies require that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2015, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

**(b) Liquidity Risk**

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA –  
ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
<b>Financial liabilities due for payment</b>								
Trade and other payables	357,291	465,443	-	-	-	-	357,291	465,443
<b>Total Financial Liabilities</b>	<u>357,291</u>	<u>465,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,291</u>	<u>465,443</u>
<b>Financial assets - cash flow realisable</b>								
Cash and cash equivalents	2,829,543	3,229,273	-	-	-	-	2,829,543	3,229,273
Trade and other receivables	421,369	220,890	-	-	-	-	421,369	220,890
<b>Total anticipated inflows</b>	<u>3,250,912</u>	<u>3,450,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,250,912</u>	<u>3,450,163</u>
<b>Net inflow of financial instruments</b>	<u>2,893,621</u>	<u>2,984,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,893,621</u>	<u>2,984,720</u>

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market Risk

i. Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mixed of fixed and floating rate financial instruments. The effective interest rate exposure to interest rate financial instruments are as follows:

	Note	Weighted Average Effective Interest Rate		2015 \$	2014 \$
		2015	2014		
		%	%		
<b>Floating rate instruments</b>					
Cash and cash equivalents		2.31	1.69	2,829,543	3,229,273

ii. Foreign Exchange Risk

The Union is not exposed to fluctuations in foreign currencies.

iii. Price Risk

The Union is not exposed to any material commodity price risk.

Sensitivity Analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
<b>Year ended 31 December 2015</b>		
+1% in interest rates	+28,295	+28,295
-1% in interest rates	-26,206	-26,206
<b>Year ended 31 December 2014</b>		
+1% in interest rates	+32,293	+32,293
-1% in interest rates	-19,561	-19,561

No sensitivity analysis has been performed on foreign exchange risk or price as the Union has no material exposures to currency or commodity risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

Fair values

*Fair value estimation*

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

	Footnote	2015		2014	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	2,829,543	2,829,543	3,229,273	3,229,273
Accounts and other receivables	(i)	421,369	421,369	220,890	220,890
<b>Total financial assets</b>		<b>3,250,912</b>	<b>3,250,912</b>	<b>3,450,163</b>	<b>3,450,163</b>
<b>Financial liabilities</b>					
Accounts and other payables	(i)	357,291	357,291	465,443	465,443
<b>Total financial liabilities</b>		<b>357,291</b>	<b>357,291</b>	<b>465,443</b>	<b>465,443</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.



COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

Fair values (Continued)

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

*Fair value hierarchy – 31 December 2015*

The Union does not have assets or liabilities that are recorded using a fair value technique.

*Fair value hierarchy – 31 December 2014*

The Union does not have assets or liabilities that are recorded using a fair value technique.

**NOTE 16 – SEGMENT INFORMATION**

The Union operates solely in one reporting business segment being the provision of trade union services.

The Union operates from one reportable geographical segment being Australia.

**NOTE 17 – UNION DETAILS**

The principal place of business is:

CEPU – Electrical Division  
Suite 408, Level 4  
30 - 40 Harcourt Pde  
Rosebery NSW 2018

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 18 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) The reporting unit must comply with an application made under subsection (1).

The purposes for which the Union is established are:

- (a) Implementation of the decisions of the Divisional Executive and Divisional Council.
- (b) Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or organising projects, the training and development of officials and assistance to branches.
- (c) Industrial support including representation of member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the Division, and responding to other unions' rules applications where they impact on membership of the CEPU.
- (d) The administration of federal awards, the variations of awards and making applications to vary federal awards of the division: Co-ordination of National Enterprises negotiations on behalf of branches.
- (e) National media and communications to members and to the broader community via media releases in support of campaigns, video development, and targeted publications, including the national magazine ETU National.
- (f) Developing national policies and representing the division nationally on skills training, licensing, education of members and industrial relations law reforms.

The Divisional office has consulted with the ACTU on the development of policy on wages, redundancy and family leave. The national office has participated in ACTU policy committees in OH&S, VET, union education and superannuation.

The Divisional office has also been involved in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to CEPU members, e.g. in submission to government inquiries, skilled career paths, skill shortages, quality and accreditation and workforce issues, occupational health and safety and electrical licensing.

There has been no significant changes in the nature of these activities.

**NOTE 19 – RESERVES**

- (a) Asset Revaluation Reserve

The reserve represents revaluation of the Union's non-current assets. During the year, it was determined that the asset revaluation reserve be transferred to retained earnings, as the assets in which the reserve related to has been subsequently disposed of.

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING  
AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES  
DIVISION**

**OPINION ON ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

The additional financial information presented on page 44 is consistent with the financial statements of the Union for the year ended 31 December 2015. Such additional financial information has been subject to auditing procedures in order to express an opinion on the revenue and expenses of the Union. Our auditing procedures involve testing on a test basis a sample of transactions throughout the year.

**Audit Opinion**

In our opinion, the additional information on page 44 presents fairly in all material respects the revenues and expenses of the Union for the year ended 31 December 2015.

*M.G.I*

**MGI Audit (Q) Pty Ltd**



**G I Kent**  
Director

Rosebery

17 March 2016

**COMMUNICATION ELECTRICAL ELECTRONIC ENERGY INFORMATION POSTAL PLUMBING AND ALLIED SERVICES UNION OF AUSTRALIA – ELECTRICAL, ENERGY AND SERVICES DIVISION**

**ADDITIONAL INFORMATION IN EXPLAINING THE FINANCIAL RESULTS OF THE UNION**

	2015	2014
	\$	\$
<b>REVENUE</b>		
<b>General Fund</b>		
Sustentation Fees	3,488,751	3,818,809
Interest Income	58,300	64,871
Publication Income	351,176	421,797
Secretarial Fees	10,273	19,612
National Apprenticeship Officer Wage Reimbursement	38,007	-
Sponsorship Income	18,545	19,000
Other Income	55,095	8,564
	<u>4,020,147</u>	<u>4,352,653</u>
<b>EXPENDITURE</b>		
<b>General Fund</b>		
Advertising and Promotion	266,777	616,488
Affiliation Fees	377,048	476,439
Audit and Accounting Fees	26,350	45,099
Bad and Doubtful Debts	-	87,338
Bank Charges	1,103	2,043
Computer Expenses	38,395	47,910
Consulting and Professional Fees	91,822	56,887
Depreciation	82,966	32,517
Donations	19,198	13,155
Entertainment	-	1,251
Interest Expense – External	-	227
Insurance	24,140	23,302
Lease Rentals on Operating Lease	-	1,320
Leave Entitlements Expense	215,306	228,388
Legal Fees	210,629	155,914
Meetings and Conferences	164,809	80,251
Motor Vehicle Expenses	11,995	11,602
Other Employee Costs	27,922	34,696
Payroll and Fringe Benefits Tax	84,378	95,628
Postage	7,776	8,594
Printing and Stationery	19,376	14,969
Rent and Occupancy Costs	113,371	252,439
Repairs and Maintenance	29,727	14,682
Salaries	1,463,487	1,227,828
Staff Training and Welfare	10,892	14,956
Subscriptions	24,544	49,303
Sundry Expenses	10,504	(20,749)
Superannuation Contributions	240,806	203,088
Telephone and Fax	37,364	26,739
Campaign Expenses	343,386	41,328
Financial Support – TAS Electrical Branch	100,521	-
Travel Expenses	267,658	156,199
<b>Total Expenses</b>	<u>4,312,250</u>	<u>3,912,729</u>
<b>(Deficit)/ Surplus before income tax</b>	<u>(292,103)</u>	<u>352,842</u>



12 January 2016

Mr Allen Hicks

National Secretary & Divisional Secretary

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division

Sent via email: [admin@etuaustralia.org.au](mailto:admin@etuaustralia.org.au)

Dear Mr Hicks,

**Re: Lodgement of Financial Report - [FR2015/368]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Electrical, Energy and Services Division (the reporting unit) ended on 31 December 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 July 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). A sample statement of loans, grants or donations is available at [sample documents](#).

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at [Sam.Gallichio@fwc.gov.au](mailto:Sam.Gallichio@fwc.gov.au).

Yours sincerely,

Sam Gallichio

Adviser

Regulatory Compliance Branch

## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement)</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.